

Global trade

Global exports buoyed by stockpiling as war disrupts services trade

The worldwide [Purchasing Managers' Index](#) (PMI) surveys indicated that global trade fell slightly for a second successive month in April, reflecting the ongoing impact of the war in the Middle East. However, trends varied markedly, notable by sector, with dampened services activities in part offset by rising merchandise trade, albeit the latter again buoyed by stock building.

Trade subdued by Middle East conflict

The seasonally adjusted Global PMI New Export Orders, sponsored by J.P.Morgan and compiled by S&P Global, held steady at 49.6 in April, running just below the 50.0 neutral mark to signal a further marginal fall in trade volumes. The recent declines come after trade rose in February for the first time in nearly a year, in part reflecting easing headwinds from US tariff policy, and reflecting the deteriorating trade environment amid the escalation of the conflict in the Middle East.

Not only has the war seen associated travel and shipping disruptions, but has also seen demand damaged as prices spiked higher for many goods and services, primarily due to the surge in oil and gas prices. However, these factors have affected sectors to different degrees.

Global PMI new export orders by sector



Data compiled May 2026.
PMI (Purchasing Managers' Index) 50 = no change on prior month. Pandemic extremes omitted.
Sources: S&P Global PMI with J.P.Morgan, S&P Market Intelligence
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April saw the service sector hit especially hard by the conflict, notably in terms of travel, tourism and leisure exports. Overall service sector new export orders consequently fell worldwide at the steepest rate since

October 2022. Barring the pandemic, the decline was the sharpest since comparable data were available in 2014.

Global exports of goods meanwhile showed greater resilience, rising marginally after holding flat in March. After the pre-war gain reported in February, April's rise in merchandise trade was in fact the largest recorded for almost two years, broadly consistent with goods export volumes growing at a 5-6% annual rate.

Global goods exports

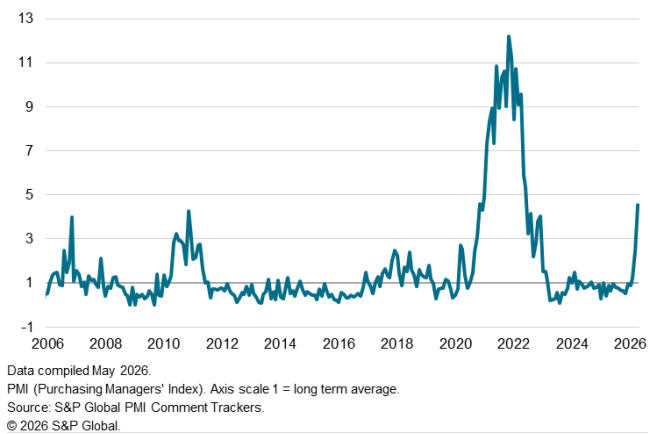


Data compiled May 2026, PMI data updated to April 2026, CPB trade data to December 2025.
PMI (Purchasing Managers' Index) 50 = no change on prior month.
Sources: S&P Global PMI with J. P. Morgan, CPB trade data via S&P Global Market Intelligence.
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Stock building boost

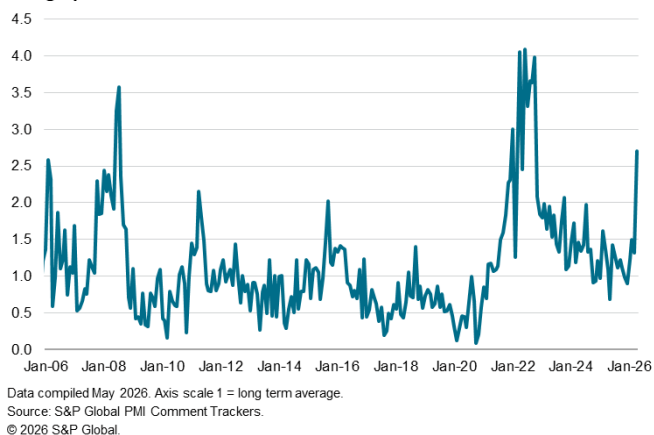
Some of this improvement in goods exports reflected the further [precautionary stock building](#), with April seeing a further rise in the number of firms buying additional imports of goods amid rising concerns over supply availability and price hikes. This safety stock building is now more prevalent than at any time since survey data were first available in 2005 if the pandemic panic buying is excluded.

S&P Global PMI: worldwide factory input buying for safety stock considerations



In the meantime, the survey has seen a jump in the number of manufacturers reporting lower export sales due to high prices emanating from the war. Reports of high prices hitting exports have risen to the highest since 2022, and if the pandemic is excluded is now the highest since the global financial crisis in 2008.

S&P Global PMI: Manufacturers worldwide reporting lost export sales due to high prices



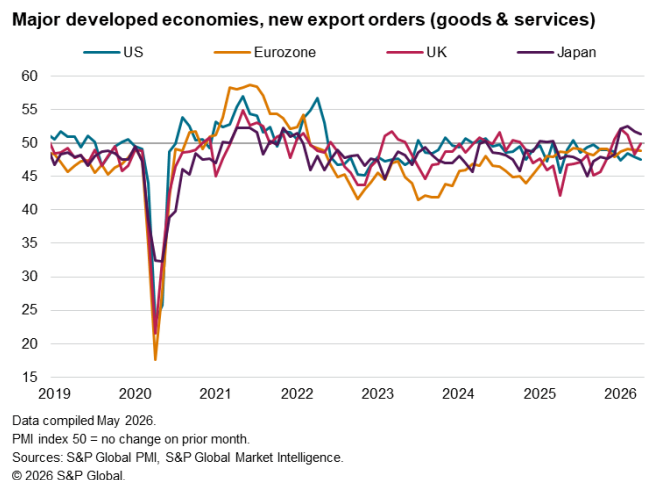
The concern is that the upturn in demand from stock building will likely prove temporary, and will weaken in future months once inventory levels are deemed adequate, with an environment of high prices exacerbating the downward leg of this stock cycle.

Japan leads trade among advanced economies

Among the advanced economies, the United States reported the steepest fall in export orders during April, with an accelerated loss of goods exports accompanying a further steep decline in services trade. Eurozone exports also continued to fall, albeit at only a modest pace. However, an upturn in eurozone goods trade masked a steepening drop in services exports, which fell at a rate not seen since October 2023.

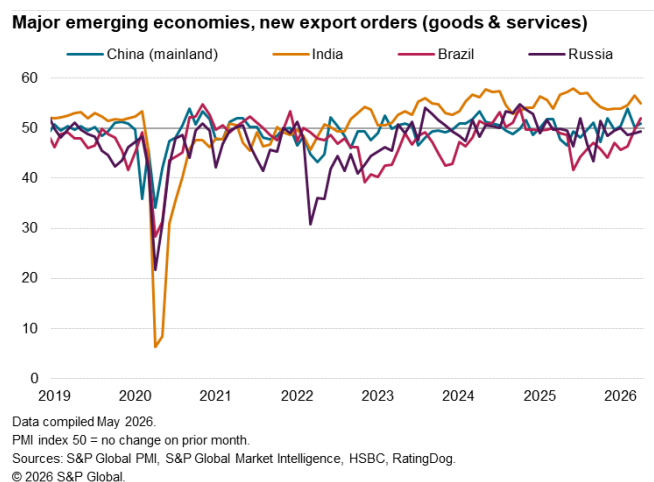
UK exports came close to stabilizing, as rising goods exports were joined by a slower rate of loss of service trade, leaving Japan as the only major developed economy reporting any notable increase in exports. However, rising goods trade was countered by a steep fall in services exports from Japan.

Elsewhere, Canada eked out a marginal increase in exports for the first time since August 2023 thanks to rising merchandise trade, but Australia's exports fell for the first time in six months.



While India continued to lead the largest emerging markets in terms of export performance, Brazil saw the greatest change, with trade reviving after a year of continual decline to register the strongest increase since October 2024. However, this expansion was entirely driven by manufacturing, as exports of services out of Brazil plunged.

Exports from mainland China meanwhile grew for a fourth successive month, buoyed by goods trade, while Russian exports continued to decline.

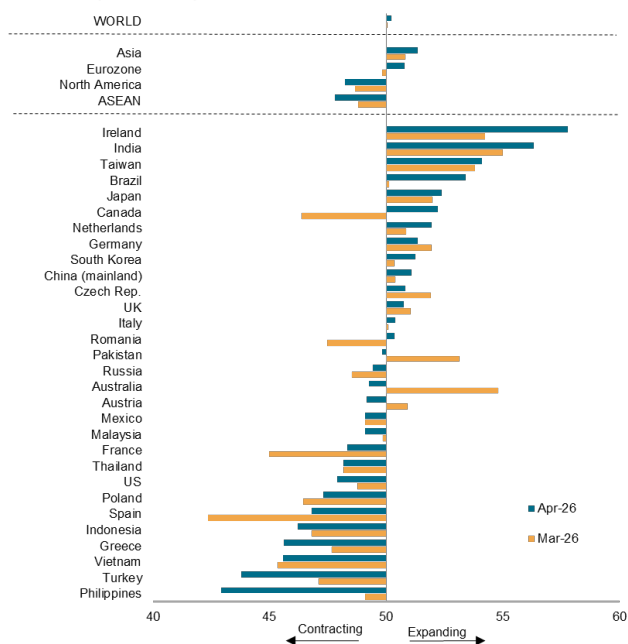


ASEAN lags as manufacturing exports fall sharply

Looking in more detail at goods exports, just 14 of the 30 economies tracked by the PMI reported higher sales in April. The steepest gains were reported in Ireland, India, Taiwan, Brazil and Japan. Other notable economies reporting higher exports included mainland China, Canada, Germany, South Korea and the UK.

The steepest declines were meanwhile reported in the Philippines, Turkey, Vietnam, Greece and Indonesia. The ASEAN region consequently saw an especially weak export performance, reporting the steepest decline for nine months. Exports also notably fell in the US and Mexico.

Manufacturing PMI new export orders index



Data compiled May 2026.
 PMI index: 50 = no change on prior month.
 Source: S&P Global PMI, ISO, HSBC, NEVI, BME, Bank Austria, AIB, Davivienda, AERCE, BCR, Freedom Holding Corp., HBL, HPI, Istanbul Chamber of Industry, J.P. Morgan, RatingDog.
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